

News

United States
Department
of Labor



Bureau of Labor Statistics

Washington, D.C. 20212

Technical information:
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USDL 02-660

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For release: 10:00 A.M. EST
Tuesday, November 26, 2002

MASS LAYOFFS IN OCTOBER 2002

Employers initiated 1,497 mass layoff actions in October 2002, as measured by new filings for unemployment insurance benefits during the month, according to the U.S. Department of Labor's Bureau of Labor Statistics. Each action involved at least 50 persons from a single establishment, and the number of workers involved totaled 171,088. (See table 1.) Almost 10 percent of the initial claims in October 2002 (16,548) were in the temporary help services industry. In October 2001, which included the initial direct and indirect effects of the September 11 terrorist attacks, there were 1,831 mass layoff events involving 215,483 workers. In January through October 2002, both the total number of events, 15,649, and initial claims, 1,740,828, were lower than in January-October 2001 (16,306 and 1,950,013, respectively).

The monthly data series in this release cover mass layoffs of 50 or more workers beginning in a given month, regardless of the duration of the layoffs. Information on the length of the layoff is obtained later and issued in a quarterly release that reports on mass layoffs lasting more than 30 days (referred to as "extended mass layoffs") and provides more information on the industry classification and location of the establishment and on the demographics of the laid-off workers. Because monthly figures include short-term layoffs of 30 days or less, the sum of the figures for the 3 months in a quarter will be higher than the quarterly figure for mass layoffs of more than 30 days. (See table 1.) See the Technical Note for more detailed definitions.

Industry Distribution

Manufacturing industries accounted for 33 percent of all mass layoff events and 38 percent of all initial claims filed in October. A year earlier, layoffs in this sector accounted for 41 percent of events and 50 percent of initial claims. Within manufacturing, the number of initial claimants was highest in food processing (12,111, mostly in fruits and vegetables) and machinery (8,309, largely in construction machinery), followed by computer and electronic products (6,926) and transportation equipment (6,856). (See table 2.)

Fifteen percent of all layoff events and 16 percent of all initial claims filed during the month were in administrative and waste services, mostly in temporary help services. Twelve percent of the events and 9 percent of initial claims in October were from agriculture, forestry, fishing and hunting, largely among farm labor contractors and crew leaders. Retail trade accounted for 7 percent of events and 9 percent of initial claims, primarily in general merchandise stores. Construction contributed 8 percent to all events and 6 percent to all initial claims this October, mainly from specialty trade contractors. An additional 4 percent of events and 5 percent of initial claims were from the information sector, mostly in the motion picture and sound recording industries.

Government establishments accounted for 3 percent of events and of initial claims filed during the month, particularly in elementary and secondary schools.

Compared with October 2001, the largest decreases in initial claims were reported in transportation equipment manufacturing (-24,780), professional and technical services (-5,522), air transportation (-5,366), and accommodation services (-5,365). The largest over-the-year increase in initial claims was reported in agriculture and forestry support activities (+7,179).

Geographic Distribution

Among the four regions, the highest number of initial claims in October due to mass layoffs was in the West, 77,051. (See table 3.) Administrative and support services and agricultural support activities accounted for 36 percent of all initial claims in that region during the month. The Midwest followed with 37,561 initial claims (mainly in machinery manufacturing), then the South, with 35,515 (largely in administrative and support services). The Northeast continued to report the lowest number of initial claims, 20,961, mostly in general merchandise stores.

The number of initial claimants in mass layoffs declined over the year in three of the four geographic regions. The largest decrease occurred in the Midwest (-31,253), largely in transportation equipment manufacturing. Eight of the nine geographic divisions reported over-the-year decreases in the number of initial claims associated with mass layoffs, with the largest declines in the East North Central (-20,261) and West North Central (-10,992) divisions. Only the Pacific division reported an increase (+14,049).

California had the largest number of initial claims filed in mass layoff events this October, 65,044, mostly in administrative and support services and in agriculture and forestry support activities, followed by Illinois (8,676), Pennsylvania (8,480), and Texas (8,470). These four states accounted for 55 percent of all layoff events and 53 percent of initial claims for unemployment insurance. (See table 4.) Thus far this year, 471,121 mass layoff initial claims were filed in California, 27 percent of the national total. The states with the next largest number of claims were Texas (104,703) and Pennsylvania (98,206).

Missouri reported the largest over-the-year decrease in initial claims (-7,606), followed by Ohio (-6,257) and Michigan (-6,238). The largest over-the-year increase occurred in California (+16,728).

The report on Mass Layoffs in November 2002 will be issued on Tuesday, December 24, 2002.

Technical Note

The Mass Layoff Statistics (MLS) program is a federal-state program that uses a standardized, automated approach to identifying, describing, and tracking the effects of major job cutbacks, using data from each state's unemployment insurance database. Each month, states report on establishments which have at least 50 initial claims filed against them during a consecutive 5-week period. These establishments then are contacted by the state agency to determine whether these separations lasted 31 days or longer, and, if so, other information concerning the layoff is collected. States report on layoffs lasting more than 1 month on a quarterly basis.

A given month contains an aggregation of the weekly unemployment insurance claims filings for the Sunday through Saturday weeks in that month. All weeks are included for the particular month, except if the first day of the month falls on Saturday. In this case, the week is included in the prior month's tabulations. This means that some months will contain 4 weeks and others 5 weeks, and the number of weeks in a given month may be different from year to year. Therefore,

analysis of over-the-month and over-the-year change should take this calendar effect into consideration.

The MLS program resumed operations in April 1995 after it had been terminated in November 1992 due to lack of funding. Prior to April 1995, monthly layoff statistics were not available.

Information in this release will be made available to sensory impaired individuals upon request. Voice phone: 202-691-5200; TDD message referral phone number: 1-800-877-8339.

Definitions

Initial claimant. A person who files any notice of unemployment to initiate a request either for a determination of entitlement to and eligibility for compensation, or for a subsequent period of unemployment within a benefit year or period of eligibility.

Mass layoff event. Fifty or more initial claims for unemployment insurance benefits filed against an establishment during a 5-week period, regardless of duration.

Table 1. Mass layoff events and initial claimants for unemployment insurance, October 2000 to October 2002

Date	Total mass layoffs		Extended mass layoffs lasting more than 30 days		Realization rates ¹	
	Events	Initial claimants	Events	Initial claimants	Events	Initial claimants
2000						
October	874	103,755				
November	1,697	216,514				
December	2,677	326,743				
Fourth Quarter	5,248	647,012	2,005	376,611	38.2	58.2
2001						
January	1,522	200,343				
February	1,501	172,908				
March	1,527	171,466				
First Quarter	4,550	544,717	1,765	340,210	38.8	62.5
April	1,450	176,265				
May	1,434	159,365				
June	2,107	253,826				
Second Quarter	4,991	589,456	2,072	^r 401,270	41.5	68.1
July	2,117	273,807				
August	1,490	166,148				
September	1,327	160,402				
Third Quarter	4,934	600,357	1,815	^r 370,942	36.8	^r 61.8
October	1,831	215,483				
November	2,721	295,956				
December	2,440	268,893				
Fourth Quarter	6,992	780,332	2,698	^r 502,287	38.6	^r 64.4
2002						
January	2,146	263,821				
February	1,383	138,984				
March	1,460	161,336				
First Quarter	4,989	564,141	^r 1,748	^r 314,966	^r 35.0	^r 55.8
April	1,507	165,861				
May	1,726	180,007				
June	1,580	161,928				
Second Quarter	4,813	507,796	^r 1,905	^r 347,321	^r 39.6	^r 68.4
July	2,041	245,211				
August	1,247	128,080				
September ^p	1,062	124,512				
Third Quarter ^p	4,350	497,803	² 1,309	² 193,385	30.1	38.8
October ^p	1,497	171,088				

¹ The event realization rate is the percentage of total mass layoff events lasting more than 30 days. The initial claimant realization rate is the percentage of total mass-layoff initial claimants associated with layoffs lasting more than 30 days.

² These quarterly numbers are provisional and will increase as more data on these layoffs become available. Recent experience suggests

that the number of extended mass layoff events is generally revised upwards by less than 10 percent and the number of initial claimants associated with such events increases by 25-40 percent.

^p = preliminary.

^r = revised.

Table 2. Industry distribution: Mass layoff events and initial claimants for unemployment insurance

Industry	Mass layoff events				Initial claimants for unemployment insurance			
	October 2001 ^f	August 2002	September 2002 ^p	October 2002 ^p	October 2001 ^f	August 2002	September 2002 ^p	October 2002 ^p
Total ¹	1,831	1,247	1,062	1,497	215,483	128,080	124,512	171,088
Total, private	1,767	1,189	1,008	1,448	209,350	122,106	118,527	165,360
Agriculture, forestry, fishing and hunting	91	39	51	178	7,297	2,255	3,801	16,045
Mining	12	10	7	8	1,524	701	513	565
Utilities	(²)	(²)	(²)	7	(²)	(²)	(²)	575
Construction	101	98	80	116	9,761	8,241	5,735	9,738
Manufacturing.....	742	427	351	492	107,030	48,733	43,679	64,600
Food	65	47	39	83	7,944	5,150	4,688	12,111
Beverage and tobacco products	11	5	7	8	809	405	454	477
Textile mills	24	12	17	24	4,847	1,177	3,406	4,786
Textile product mills	8	(²)	13	12	681	(²)	2,543	1,511
Apparel	38	24	19	18	4,923	3,127	2,225	2,445
Leather and allied products	(²)	(²)	3	5	(²)	(²)	240	384
Wood products	26	11	12	22	2,920	1,198	1,312	2,114
Paper	14	8	9	11	1,450	741	1,007	968
Printing and related support activities	15	5	7	8	1,094	558	650	710
Petroleum and coal products	(²)	-	-	5	(²)	-	-	651
Chemicals	17	(²)	8	8	1,548	(²)	977	598
Plastics and rubber products	29	16	15	18	2,846	1,368	1,322	1,658
Nonmetallic mineral products	21	12	5	12	2,647	1,334	410	874
Primary metals	49	25	20	24	7,235	2,862	2,273	3,687
Fabricated metal products	56	33	22	21	5,776	3,136	2,365	1,722
Machinery	70	50	28	47	9,164	9,197	3,657	8,309
Computer and electronic products	96	74	47	63	11,417	6,202	5,146	6,926
Electrical equipment and appliances	35	23	23	25	5,370	3,082	2,679	4,879
Transportation equipment	127	50	32	49	31,580	6,665	4,984	6,856
Furniture and related products	25	11	17	14	3,119	888	2,834	1,749
Miscellaneous manufacturing	11	13	8	15	1,020	931	507	1,185
Wholesale trade	27	23	20	23	2,077	2,357	1,708	1,948
Retail trade	97	111	93	112	9,324	11,322	10,095	15,506
Transportation and warehousing	85	68	68	41	11,158	8,140	18,128	5,022
Information	71	45	47	53	7,674	4,006	6,585	9,019
Finance and insurance	33	26	26	25	2,798	2,161	2,530	2,123
Real estate and rental and leasing	21	11	(²)	(²)	1,528	647	(²)	(²)
Professional and technical services	57	47	29	42	9,047	6,455	2,811	3,525
Management of companies and enterprises	(²)	-	(²)	(²)	(²)	-	(²)	(²)
Administrative and waste services	227	179	133	224	22,995	18,192	14,255	26,896
Educational services.....	4	(²)	5	-	246	(²)	369	-
Health care and social assistance	13	27	18	28	1,031	1,738	1,299	1,902
Arts, entertainment, and recreation	24	17	19	17	2,166	1,422	2,157	1,263
Accommodation and food services	135	38	49	58	11,374	2,702	4,056	5,057
Other services, except public administration.....	9	13	(²)	14	680	1,745	(²)	908
Unclassified	13	3	1	5	1,226	737	103	369
Government	64	58	54	49	6,133	5,974	5,985	5,728
Federal	20	15	9	9	2,151	2,056	1,703	815
State	19	12	10	14	2,039	1,596	980	1,991
Local	25	31	35	26	1,943	2,322	3,302	2,922

¹ Data were reported by all states and the District of Columbia.

² Data do not meet BLS or state agency disclosure standards.

^p = preliminary.

^f = revised.

NOTE: Beginning with data for January 2002, the 2002 version of the North American Industry Classification System (NAICS) is the basis for the assignment and tabulation of economic data by industry. NAICS is the product of a cooperative effort on the part of

the statistical agencies of the United States, Canada, and Mexico. Due to differences in NAICS and SIC structures, data by industry for 2002 will not be comparable to the SIC-based data for earlier years. However, the monthly historical industry series from April 1995 to December 2001 are available on both SIC and NAICS bases. Dash represents zero.

Table 3. Mass layoff events and initial claimants for unemployment insurance by census region and division

Census region and division	Mass layoff events				Initial claimants for unemployment insurance			
	October 2001	August 2002	September 2002 ^p	October 2002 ^p	October 2001	August 2002	September 2002 ^p	October 2002 ^p
United States ¹	^r 1,831	1,247	1,062	1,497	^r 215,483	128,080	124,512	171,088
Northeast	273	195	158	181	29,900	25,178	15,981	20,961
New England	57	27	21	38	7,258	3,897	1,919	4,694
Middle Atlantic	216	168	137	143	22,642	21,281	14,062	16,267
South	^r 448	308	259	304	^r 52,063	31,764	31,878	35,515
South Atlantic	238	159	129	159	24,849	13,884	16,396	17,819
East South Central	64	30	51	48	7,944	3,574	5,877	6,198
West South Central	^r 146	119	79	97	^r 19,270	14,306	9,605	11,498
Midwest	450	251	177	293	68,814	28,016	25,437	37,561
East North Central	360	186	134	238	51,022	21,208	19,904	30,761
West North Central	90	65	43	55	17,792	6,808	5,533	6,800
West	660	493	468	719	64,706	43,122	51,216	77,051
Mountain	68	38	35	52	6,361	3,933	4,109	4,657
Pacific	592	455	433	667	58,345	39,189	47,107	72,394

¹ See footnote 1, table 2.

^p = preliminary.

^r = revised.

NOTE: The States (including the District of Columbia) that comprise the census divisions are: New England: Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont; Middle Atlantic: New Jersey, New York, and Pennsylvania; South Atlantic: Delaware, District of Columbia, Florida, Georgia, Maryland, North

Carolina, South Carolina, Virginia, and West Virginia; East South Central: Alabama, Kentucky, Mississippi, and Tennessee; West South Central: Arkansas, Louisiana, Oklahoma, and Texas; East North Central: Illinois, Indiana, Michigan, Ohio, and Wisconsin; West North Central: Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, and South Dakota; Mountain: Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, and Wyoming; and Pacific: Alaska, California, Hawaii, Oregon, and Washington

Table 4. State distribution: Mass layoff events and initial claimants for unemployment insurance

State	Mass layoff events				Initial claimants for unemployment insurance			
	October 2001	August 2002	September 2002 ^p	October 2002 ^p	October 2001	August 2002	September 2002 ^p	October 2002 ^p
Total ¹	^r 1,831	1,247	1,062	1,497	^r 215,483	128,080	124,512	171,088
Alabama	9	5	16	17	1,113	691	2,174	2,833
Alaska	4	(²)	(²)	4	381	(²)	(²)	301
Arizona	12	7	9	16	823	485	1,618	1,169
Arkansas	5	(²)	4	10	734	(²)	421	1,117
California	516	415	376	612	48,316	34,590	39,691	65,044
Colorado	16	7	6	13	1,594	573	561	1,142
Connecticut	6	4	4	5	366	588	262	516
Delaware	8	-	-	(²)	970	-	-	(²)
District of Columbia	3	-	(²)	-	350	-	(²)	-
Florida	119	72	55	70	9,065	5,154	4,143	4,604
Georgia	16	17	16	35	1,742	1,734	4,639	3,219
Hawaii	20	(²)	4	10	2,130	(²)	428	800
Idaho	11	10	4	5	1,638	1,708	287	708
Illinois	83	51	41	57	12,717	6,185	6,707	8,676
Indiana	43	23	16	22	5,845	2,954	2,512	3,629
Iowa	26	10	9	12	3,598	939	1,673	2,339
Kansas	5	11	3	8	2,940	1,378	196	768
Kentucky	28	14	16	21	4,078	2,032	1,773	2,479
Louisiana	^r 20	19	12	12	^r 3,070	1,513	761	954
Maine	(²)	-	(²)	4	(²)	-	(²)	680
Maryland	7	8	7	10	651	898	815	1,263
Massachusetts	39	17	12	21	4,612	2,132	988	2,318
Michigan	88	26	14	39	10,349	2,535	1,544	4,111
Minnesota	19	11	9	17	1,989	1,243	1,142	2,000
Mississippi	11	3	6	5	1,288	176	782	429
Missouri	36	28	15	16	8,844	2,884	1,886	1,238
Montana	(²)	-	-	3	(²)	-	-	327
Nebraska	(²)	4	6	(²)	(²)	287	583	(²)
Nevada	23	11	13	11	1,797	891	1,133	1,043
New Hampshire	3	3	3	5	1,213	618	514	543
New Jersey	40	33	29	23	6,229	3,371	3,424	2,561
New Mexico	(²)	(²)	(²)	(²)	(²)	(²)	(²)	(²)
New York	47	86	49	41	4,546	11,213	5,137	5,226
North Carolina	29	27	11	12	3,997	3,104	1,208	1,494
North Dakota	(²)	(²)	-	(²)	(²)	(²)	-	(²)
Ohio	73	47	34	58	13,435	5,602	5,468	7,178
Oklahoma	11	5	(²)	5	1,237	1,008	(²)	957
Oregon	30	24	30	20	5,009	2,603	3,965	3,123
Pennsylvania	129	49	59	79	11,867	6,697	5,501	8,480
Rhode Island	4	(²)	(²)	(²)	464	(²)	(²)	(²)
South Carolina	36	19	18	19	5,361	1,238	2,220	4,555
South Dakota	-	-	(²)	-	-	-	(²)	-
Tennessee	16	8	13	5	1,465	675	1,148	457
Texas	110	93	62	70	14,229	11,660	8,280	8,470
Utah	3	(²)	(²)	(²)	307	(²)	(²)	(²)
Vermont	3	(²)	-	(²)	462	(²)	-	(²)
Virginia	20	15	19	8	2,713	1,693	3,092	619
Washington	22	14	21	21	2,509	1,856	2,889	3,126
West Virginia	-	(²)	(²)	3	-	(²)	(²)	468
Wisconsin	73	39	29	62	8,676	3,932	3,673	7,167
Wyoming	(²)	-	-	(²)	(²)	-	-	(²)
Puerto Rico	12	10	9	4	1,035	772	873	402

¹ See footnote 1, table 2.

² Data do not meet BLS or state agency disclosure standards.

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^r = revised.

NOTE: Dash represents zero.